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WILL IT PAY?

A FEW FACTS AND FIGURES.

— BY —

HAMILTON WARD, JR.
CHARLES W. RICKER.

PAMPHLET NO. 1. Price Ten Cents.

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WILL IT PAY?

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Pamphlet No. 1.

PRICE TEN CENTS.

By Hamilton Ward, Jr.,
and C. W. Ricker.

September, 1896.

PART I.

The purpose of this pamphlet is to show some of the effects of the Free Coinage of Silver and Gold at the ratio of 16 to 1, that the Public may be assisted in considering and discussing intelligently this question which so deeply concerns our National Future.

The attention of the reader is respectfully invited to the sources of our information, which are noted in small type. The statements made and the figures shown in every instance are taken from United States Government reports, or where no reports have been made from, the most reliable authorities.

An ounce of Gold is worth, ... $20.6721
An ounce of Silver is worth, ... $ .6875

(June 19, 1896—Eng. & Mining Journal.)

Therefore one ounce of Gold is worth 30.07 ounces of Silver, making the ratio of value about **30 to 1.**

The Gold in one Gold Dollar of 23.22 grains is worth $1.00.

The Silver in one Silver Dollar of 371¼ grains is worth $ .5317. This at the ratio of 16 to 1.

Free Coinage of Gold and Silver at the ratio of 16 to 1, means that all the Gold and Silver that may be presented at the United States mints shall be

coined into dollars at the expense of the people of the United States, so that 16 ounces of Silver will make as many dollars as one ounce of Gold, either kind of dollar being full legal tender for wages, debts, Government Dues, etc.

As the bullion in the Silver Dollar is worth 53 cents, and in the Gold Dollar 100 cents, all payments will be made in the cheap money (Gresham's Law) and values will rise to meet the debasement of the dollar, unless the Government can keep the Silver and Gold Dollars equal by making them interchangable, thereby creating a market equal to the world's production of Silver. When 53 cents worth of Silver is stamped by the United States to be 100 cents, its extra value rests upon the credit of the people of the United States, as the value of a doubtful note is increased by a good endorsement and rests upon the credit of the endorser. Our credit is our monetary stock of real value, of 100-cent or Gold Dollars, on hand or obtainable, and we can lend that credit and keep it good only to the extent of this sound money.

CAN WE DO THIS?

The total value of the Silver in the world at the proposed ratio of 16 to 1, and which would come to our mints if we offered free coinage at that ratio, is $8,310,000,000. The total amount of Gold coin and bullion in the United States to back it with and keep it from depreciation is about $635,000,000.

The total Gold in the National Treasury and available for Government use is $103,817,105.

(Statement U. S. Treasury, June 18, 1896.)

The world's annual Silver production for us to buy is $203,589,000, (average for five years past.)

Our annual production of Gold to buy Silver with is $37,692,000, (average for five years past.)

(Report of the Director of the Mint, 1895, and Eng. & Mining Journal, June 20, 1896.)

As soon as the available Gold which is now the unit and measure of value is exhausted in the effort to maintain credit and give the fifty-three cent dollar a one hundred cent value, this artificial market for Silver is ended and the purchasing power of a Silver Dollar must depend on its natural market and exchange value which is 53.17 cents and this must be the unit and measure of value, as it will be the **only primary dollar in circulation.**

This is the value of the Silver Dollar in the Silver Countries of the world, as it is there the only coin in circulation because 16 to 1 undervalues Gold and drives it out. (Gresham's Laws.)

(Department of State U. S. Consular Reports.)

WHAT WE SHOULD LOSE.

The Finances of the Government are conducted to some extent like a Bank. Paper money, which constitutes most of our currency, is issued as bank notes are, and is good because the holder can present

it to the Government at any time and get a gold dollar, whose bullion is worth 100 cents, for each paper dollar. To be ready to redeem this paper money the Government keeps a "Gold Reserve" of $100,000,000 as a bank keeps money on hand to pay its depositors, and promises to procure more gold when needed, and this fact that they are as good as gold dollars give our paper dollars their value.

Our total present currency redeemable in gold and worth 100 cents to the dollar because exchangable for gold is:

National Bank Notes,	$211,691,035
Treasury Notes,	146,088,400
U. S. Notes or Greenbacks,	346,681,016
Currency Certificates,	55,755,000
Gold Certificates,	48,469,959
Demand Notes,	54,847
Total,	$808,740,257

(June 30, 1895, Report Secretary of Treasury.)

With the gold exhausted by the free coinage of silver at 16 to 1, this money could be redeemed in and exchanged for silver dollars only, and each dollar would be worth no more than the market value of the silver in a silver dollar. In addition to the above and to the gold coin in the country the following constitutes our total currency:

Silver Certificates,	$328,894,504
Silver Dollars,	423,289,219
Fractional silver coin,	76,772,563
Uncoined silver bullion in treasury,	124,479,849
Total,	$953,436,135

(June 30, 1895, Report Secretary of Treasury.)

The latter are now equal in value to gold, because they have not been issued in excess of the government's ability to back them with gold, and as long as the government can pay out gold on demand and create a standard of value, the value of the silver and paper will be kept up to that standard.

But when the gold is exhausted by 16 to 1, then there can no longer be a gold standard and all the silver and paper dollars will be of the value of the bullion in a silver dollar as they can only be redeemed in that metal, so that now on a gold basis our currency is worth:

Total stock of money redeemable in gold,	$808,740,257
Total stock of money kept up to gold standard by government credit,	953,436,135
Total stock of gold bullion and money,	636,168,989
Total money,	$2,398,345,381

On a silver basis at 16 to 1 it would be worth:

Total stock of silver and paper money,	$888,479,229
Total stock of gold bullion and money,	0
Total stock of gold certificates,	0
Total money,	$888,479,229

Showing a contraction in the currency of sixty-three (63) per cent, or $1,509,866,152.

This sum of $888,479,229 together with such silver as the mine owners could force into circulation through payment of wages, debts, etc., would form

our whole currency. The present coinage capacity of our mints is about $5,000,000 per month.

So that in creating a government market for the silver of the world we would destroy over one-half the value of our total stock of money; and all sums of money due for bank deposits, insurance policies, wage contracts, etc., would shrink one-half.

PART II.

HOW IT WORKS.

I. Silver and Prices.

The advocates of the free coinage of silver at 16 to 1 claim that it would cause a general rise in prices and thus stimulate production by increasing the producers' profits. The following table states the present retail prices of ten staple articles and also the prices at which they would have to be sold and which the buyer would have to pay if our currency were reduced to a silver standard, as shown in Part I, in order that the producer might receive the same profits as at present:

TABLE I.

Ten Staple Articles.	RETAIL PRICES. With sound money.	With silver standard.
Flour per barrel,	$4.25	$7.99
Sugar per pound,	.05 1-2	.10 1-3
Butter per pound,	.20	.38
Ham per pound,	.11	.21
Beef per pound, (sirloin)	.16	.30
Coal per ton, (stove)	4.50	8.46
Cotton cloth per yard,	.10	.20
Ladies' dress goods per yard,	.75	1.41
Suit of men's clothes,	15.00	28.21
Pair of men's shoes,	3.00	5.64

Would wages rise in the same proportion, or would the wage earner have to pay double prices with the same rate of wages that he has now?

II. Wages in Gold and Silver Countries.

The following table shows the average wages of ten important trades in ten leading gold standard countries, and in ten leading silver standard countries, expressed in United States currency.

GOLD STANDARD COUNTRIES.

United States, France, Germany, England, Ireland, Scotland, Canada, Australia, New Zealand, Denmark.

SILVER STANDARD COUNTRIES.

Austro Hungary, China, Russia, Persia, Japan, Mexico, Ecuador, Venezuela, Peru, U. S. of Columbia.

Austro Hungary had the silver standard till August, 1892, Venezuela till 1893, wages used for 1892.

TABLE II.

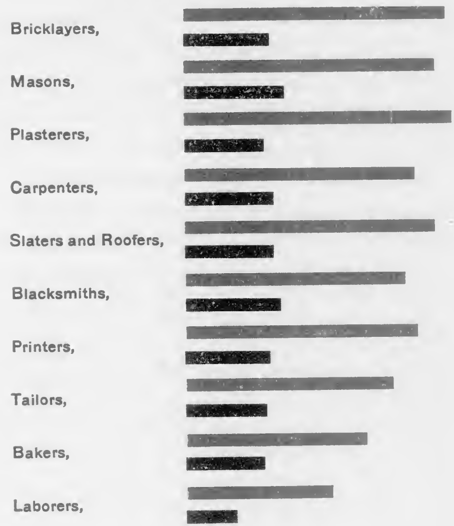
Trades.	WEEKLY WAGES IN U. S. MONEY.	
	Gold Countries.	Silver Countries.
Bricklayers,	$11.24	$3.64
Masons,	10.43	4.25
Plasterers,	11.19	3.28
Carpenters,	9.91	3.94
Slaters and Roofers,	10.72	3.75
Blacksmiths,	9.37	4.31
Printers,	9.71	3.66
Tailors,	8.72	3.50
Bakers,	7.78	3.44
Laborers,	6.13	2.13

Department of State U. S. Consular Reports, No. 180, September 1895, pages 1-13, 70-71.

Diagram of Table II.

The horizontal lines are proportional to average weekly wages expressed in United States money.

In Gold Standard Countries, Red lines
In Silver Standard Countries, Black lines



III. Wages and Gold in United States.

The advocates of free silver coinage claim that the value of gold has risen and that the wage earners have suffered from the rise. The following table shows the relative wages in **Gold** paid in five leading trades, and the average wages in **Gold** in the twenty-one (21) most important trades and industries.

The unit of measure in each trade is the number of days work for which the worker received $100.00 in 1860, and the amount paid for the same number of days work, is stated for 1850 and at the end of every five years till 1890.

TABLE III.

Relative Wages in the United States from 1850 to 1890 in Gold.

Year.	Building Trades.	Carriage & Wagon Makers.	Cotton Mill Hands.	Woolen Mill Hands.	Stone Workers.	Average of Twenty-one Industries.
1850	$ 86.20	$100.00	$ 93.90	$ 94.00	$ 93.60	$ 90.90
1855	95.70	100.00	98.70	95.40	98.80	97.50
1860	100.00	100.00	100.00	100.00	100.00	100.00
1865	74.47	78.56	62.27	63.48	67.87	68.70
1870	152.00	147.40	131.50	126.60	138.30	136.90
1875	150.30	159.90	133.60	137.40	143.30	140.00
1880	142.70	202.40	139.90	151.60	128.70	143.00
1885	169.90	202.40	143.50	163.10	150.40	155.90
1890	172.70	202.40	159.70	168.00	161.90	168.20

The average hours of work to a day in the 21 trades and industries cited were in:

1850 - - - - 11.5 hours.
1890 - - - - 10.0 hours.

NOTE.—Stoneworkers means quarrymen, stone and marble cutters and polishers.

Diagram of Table III.

The horizontal lines represent the relative wages in GOLD in the United States in the years indicated.

Average of the 21 leading industries.

Report 1394 from Committee on Finance—U. S. Senate—52d Congress—2d Session rendered March 3, 1893.

Part I, page 173-174, 179, 180.

It will be noted that wages show a steady general increase, but in 1865 there is a great decrease. In that year gold was at a high premium and wages were paid in depreciated currency worth about 46 cents to the dollar.

DO THE MEN WHO EARN WAGES WANT TO BE PAID IN DEPRECIATED CURRENCY?

IV. Free Coinage and the Circulation.

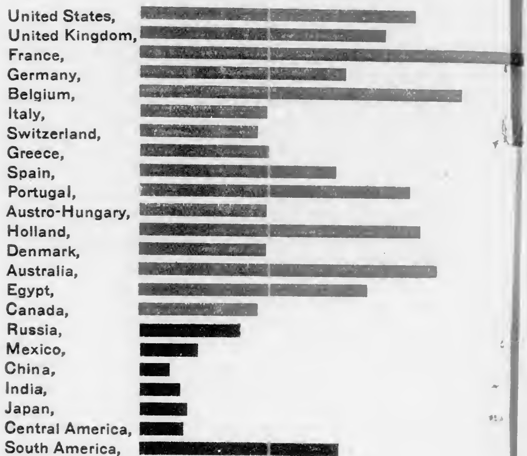
The silver partisans claim that the free coinage of silver would increase the circulation, that is the amount of money in the country to each person (called "per capita" which means per head). How does it work in other countries?

The following table shows the amount of circulation, medium per capita in the principal countries of the world. It is calculated by subtracting from the total money of each country, the amount of gold and silver held in the treasury to secure the credit money in circulation as explained in Part I and dividing the remainder by the population. In the case of the United States, the amount of gold, silver and currency certificates in the treasury are also deducted because these are not immediately available for circulation.

Diagram of Table IV.

The horizontal lines represent the amount of Circulating Medium per capita in the principal countries of the world.

Gold Standard Countries, Red lines.
Silver Standard Countries, Black lines.



Average Circulating Medium per capita in all gold standard countries and all silver standard countries :

TABLE IV.

Gold Standard Countries.	Circulating medium per Capita.	Silver Standard Countries.	Circulating medium per Capita.
United States.	23.83	Russia.	8.46
England, Ireland and Scotland.	20.78	Mexico.	5.12
France.	35.77	China.	2.08
Germany.	17.59	India.	3.33
Belgium.	27.82	Japan.	4.00
Italy.	10.79	Central American States.	3.66
Switzerland.	9.97	South American States.	17.22
Greece.	11.09		
Spain.	16.55		
Portugal.	23.11		
Austro-Hungary.	10.67		
Holland.	24.25		
Denmark.	11.00		
Australia.	25.96		
Egypt.	19.85		
Canada.	10.00		

NOTE.—It should be remembered that a large proportion of the circulating medium of Russia and the Central and South American States is unsecured paper not worth its face value, which is stated above.

Summary.

THE GOLD STANDARD COUNTRIES.

Total population, - -	329,878,000
Total circulating medium, -	$6,609,106,256
Average circulating medium per capita,	**$20.03**

THE SILVER STANDARD COUNTRIES.

Total population, - -	876,800,000
Total circulating medium, -	$3,670,800,000
Average circulating medium per capita,	**$4.19**

NOTE.—Austro-Hungary adopted the gold standard August, 1892.

NOTE.—Table IV is for January 1, 1895, except United States, which is for June 30, 1895.

Report of the Director of the Mint, 1895, pages 178-179.

V. Our Circulation on a Gold Basis.

It is also claimed that the use of a gold standard causes the currency to contract, that is, makes the money available for the use of the people smaller in amount.

Here are the facts for the United States. We have had the single gold standard since 1873.

TABLE V.

Year (June 30.)	Circulating Medium per capita Face Value.	Circulating Medium per capita Value in Gold.
1860	$14.06	$14.06
1865	22.16	15.61
1870	18.73	16.03
1875	18.16	15.83
1880	20.01	20.01
1885	23.43	23.43
1890	23.09	23.09
1895	23.83	23.83

(Compiled from the Report of the Secretary of the Treasury, 1895, pages CX-CXVIII and 21-110.
Value of currency in 1865-1875 from the American Almanac, compiled by the Librarian of Congress.)

VI. Cheap Money.

What is cheap money? Is it money that will not buy much in the market? If it is do we want it?

Is not cheap money, money that is good, and easy to get? Then money is cheapest where interest rates are low, where a man can borrow money on his house, his farm or his personal credit at a low rate of interest.

A low rate of interest means, plenty of money to be had, safe credit, and prosperity. A high rate of

Diagram of Table V.

The horizontal lines represent the amount and the value in GOLD of the Circulating Medium per Capita in the United States in the years indicated.

Face value of the Circulating Medium per Capita, Black lines

Gold value of the Circulating Medium per Capita, Red lines

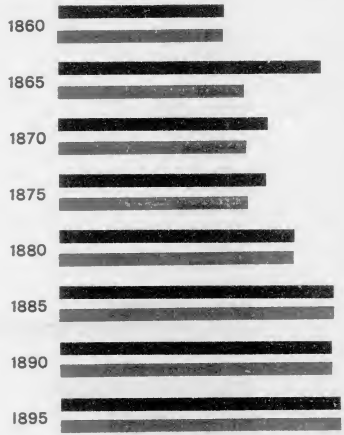
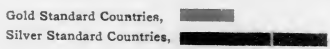


Diagram of Table VI.

The horizontal lines represent the average rate of annual interest on real estate mortgages in the countries indicated.

Average of rates in all the above named countries.



interest means that investors are afraid, that credit is unsafe, that money is dear.

TABLE VI.

Prevailing Rates of Interest per Annum for Real Estate Mortgages.

Gold Standard Countries.	Rate of Interest. Per Cent.	Silver Standard Countries.	Rate of Interest. Per Cent.
United States.	6	Russia.	6½-7½
England, Ireland. Scotland.	3-5	Mexico.	12
		China.	20-30
France.	4-5	India.	9
Germany.	3-5	Japan.	10-15
Belgium.	4-5	U. S. Columbia.	10-24
Italy.	4½-6½	Venezuela. *	12
Switzerland.	3½-5	Paraguay.	12
Greece.	8	Uruguay.	9-24
Spain.	5	Chile.	8
Portugal.	4½-6½	Ecuador.	10-12
Austro- Hungary.	4-5	Central American States.	12
Holland.	3¾-4½		
Norway and Sweden.	6	Average rate,	12.8
Denmark.	4		
Australia.	6		
Canada.	6		
Average rate,	5.05		

* Before 1893.

Department of State U. S. Consulor Reports No. 110, 111.

In Conclusion.

Shall we adopt the financial policy of India and China or shall we maintain that no money is too good for the **People of the United States of America?**

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